

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Del D. Borgsdorf
Harry Mavrogenes

SUBJECT: SEE BELOW

DATE: 11-1-05

Council District: 5
SNI: East Valley/680 Communities

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT AND ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS FOR THE CAPITOL PARK NEIGHBORHOOD CENTER RE-BID PROJECT IN THE SERVICES FOR REDEVELOPMENT CAPITAL PROJECTS FUND (CITY-SIDE REDEVELOPMENT FUND) IN THE AMOUNT OF \$360,000 AND THE CONSTRUCTION TAX AND PROPERTY CONVEYANCE TAX FUND: PARKS PURPOSES COUNCIL DISTRICT # 5 IN THE AMOUNT OF \$46,000, AND ADOPTION OF A RESOLUTION MAKING CERTAIN DETERMINATIONS REGARDING THE EXPENDITURE OF AGENCY FUNDS ON CERTAIN PUBLIC IMPROVEMENTS

RECOMMENDATIONS

- a. Report on bids and award of contract for the Capitol Park Neighborhood Center Re-Bid Project to the low bidder, Ram Building Company, in the amount of \$572,680 and approval of a contingency in the amount of \$57,268.
- b. Adoption of a resolution by the Agency Board approving the following adjustments to the 2005-2006 Adopted Capital Budget and the 2005-2006 Appropriation Resolution
 1. Adding \$150,000 from the SNI Reserve to the Capitol Park Neighborhood Center Re-Bid Project in the Capitol Park Neighborhood Center Project line appropriation.
 2. Adding \$210,000 from the East Valley/680 Strong Neighborhood to the Capitol Park Neighborhood Center Re-Bid Project in the Capitol Park Neighborhood Center line appropriation.
- c. Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Services for Redevelopment Capital Projects Fund (City-Side Redevelopment Fund):
 1. Establish an appropriation to the Department of Public Works for the Capitol Park Neighborhood Center Re-Bid Project in the amount of \$360,000.
 2. Increase the estimate for Earned Revenue by \$360,000

- d. Adoption of a resolution making certain determinations regarding the related expenditure of Redevelopment Agency Funds on certain public improvements, as more specifically described in the memorandum from the Redevelopment Agency, dated October 21, 2005.
- e. Adoption of the following Appropriation Ordinance amendments in the District 5 Construction and Conveyance Tax Fund:
 - 1. Increase the appropriation to the Department of Public Works for the Capitol Park Neighborhood Center Re-Bid Project in the amount of \$46,000.
 - 2. Decrease the School Improvement Grant project by \$46,000.

CEQA: Exempt, PP03-08-267.

BACKGROUND

Capitol Park is located at the intersection of Bambi Lane and Peter Pan Avenue next to Goss Elementary School (map attached). The park is approximately 11.6 acres and is surrounded by Highway 680 to the north, Capitol Expressway to the east and Story Road to the south. Current park amenities include tennis courts, a basketball court, a play area, picnic benches, a softball field, a soccer field, a restroom building and turf areas.

The Capitol Park Master Plan, which provides for a neighborhood center, was approved by Council on March 22, 2005. The proposed project will install a 2,160 square-foot portable building in Capitol Park for use as a neighborhood center. The facility will include a staff office, a meeting room, restrooms, a kitchenette and a large community room.

The project was previously bid on July 28, 2005. On September 13, 2005 Council rejected all bids and approved the re-bid of this project. The bids were rejected due to the high bid results and several issues with the bids submitted, including that the low bid was non-responsive. To improve the bid results the project team has done the following: 1) modified and simplified the project documents to allow some flexibility in material selection, 2) performed a greater outreach with portable manufacturers and general contractors with the goal to receive a higher number of competitive bids, and 3) stipulated a shorter award period of 45 days.

Construction is scheduled to begin in January 2006 with beneficial use anticipated in August 2006.

ANALYSIS

Bids were opened on October 13, 2005 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
HRB Construction (Fremont)	\$828,000	198,000	31
Tucker Construction (San Jose)	724,000	94,000	15
Cal State Construction (Fremont)	647,500	17,500	3
Engineer's Estimate	630,000	---	---
ESR Construction (San Jose)	587,000	(43,000)	(7)
Ram Building Company (Campbell)	572,680	(57,320)	(9)

The low bid submitted by Ram Building Company is nine percent below the Engineer's Estimate. Staff recommends awarding this contract to the apparent low bidder, Ram Building Company. Council Policy provides for a standard contingency of ten percent on public works projects involving the construction of buildings. The standard contingency is appropriate for this project.

While re-bidding this project resulted in a lower project cost, there is a significant funding gap based on the original budget established for this project. To address this funding gap, a total of \$360,000 in funding from the Redevelopment Agency is requested and \$46,000 from the District 5 Construction and Conveyance Tax Fund to award the contract and provide for the contingency reserve. The use of Community Development Block Grant Funds in the amount of \$200,000 is also recommended.

OUTCOME

Approval of this construction contract to Ram Building Company will enable the Capitol Park Neighborhood Center Re-Bid Project to go forward. Approval of the ten percent contingency will provide funding for unforeseen conditions during construction of this project. Approval of the appropriations actions will enable the project to be awarded and completed by August 2006.

PUBLIC OUTREACH

This project was listed on the City's Internet Bid Line and advertised in the San Jose Mercury News and the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project has been coordinated with the Office of the City Attorney and the Departments of Public Works, Parks, Recreation and Neighborhood Services, General Services, Fire, Planning, Building and Code Enforcement, and Information Technology.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$572,680

2. COST OF PROJECT:

Project Delivery	\$317,246
Construction	572,680
Contingency	<u>57,268</u>
TOTAL PROJECT COSTS	\$947,194
Prior Year Expenditures	(160,994)
REMAINING PROJECT COSTS	\$786,200

3. SOURCE OF FUNDING: 001 - General Fund (Neighborhood Revitalization Strategy)

382 - District 5 Construction and Conveyance Tax Fund

441 - Community Development Block Grant

450 - Services for Redevelopment Capital Projects Fund

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy General Principles and Economic Recovery sections in that it will stimulate local economic growth and recovery. Revenues will be generated through fee classes and rentals. The proposed operating and maintenance costs have been reviewed and estimated to be approximately \$40,000 annually, beginning in August 2006. This need will be addressed as part of the 2006-2007 budget process. If the new funding needed for this facility is not forthcoming, the operation of the facility would be absorbed by the Department of Parks, Recreation and Neighborhood Services. There will be a corresponding drop in the operating and maintenance levels of other facilities, particularly in the immediate area, to accommodate the operation and maintenance of this added facility.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2005-2006 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$786,200			
Current Funding Available						
					-	
382	4949	Capitol Park Neighborhood Center	\$154,000	\$117,000	Page V-606	10/18/2005 Ord. No. 27580
001	2872	Neighborhood Revitalization Strategy	26,200*	24,000	-	
441	5646	Goss Community Center	200,000	84,948		10/18/2005 Ord. No. 27580
Total Current Funding Available			\$380,200	\$225,948		
Additional Funding Recommended						
450	NEW	Capitol Park Neighborhood Center	\$360,000	302,732		
382	4949	Capitol Park Neighborhood Center	46,000	44,000		10/18/2005 Ord. No. 27580
Total Additional Funding Recommended			\$406,000	346,732		
Total Funding for Remaining Project Costs			\$786,200	572,680		

* \$26,200 of the \$805,520 allocated for the Neighborhood Revitalization Strategy has been allocated for this project.

CEQA

Exempt: PP03-08-267.

HONORABLE MAYOR AND CITY COUNCIL


11-8-05

Subject: Report On Bids And Award Of Contract, And Adoption Of Appropriation Ordinance And Funding Sources Resolution Amendments For The Capitol Park Neighborhood Center Re-Bid Project


Page 6

NEPA

Categorical Exclusion, HUD/State ID Number B01MC060021.

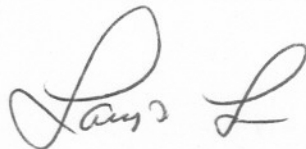


DEL D. BORGS DORE
City Manager



HARRY S. MAVROGENES
Executive Director

I hereby certify that there will be available for appropriation in the Services for Redevelopment Capital Projects Fund in the Fiscal Year 2005-2006 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$360,000.



LARRY D. LISENBEE
Budget Director

2005 NOV - 3 A
2005 NOV 10 10:00 AM
RECEIVED

Attachments